GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:2104
ANSWERED ON:05.03.2003
MUTUAL CREDIT GUARANTEE SCHEMES
YEMPARALA VENKATESWARA RAO

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether the Government are finalizing a plan for introduction of mutual credit guarantee schemes for Small Scale Industries;

(b) if so, the details thereof; and

(c) by when these are likely to be implemented?

Answer

MINISTER OF SMALL SCALE INDUSTRIES AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION(D THAKUR)

(a) to (c): The Government of India has requested the CreditGuarantee Fund Trust for Small Industries (CGTSI) tooperationalise the Mutual Credit Guarantee Scheme (MCGS). Thescheme aims to provide collateral free loans under which CGTSIgives counter guarantee to Mutual Credit Guarantee Funds set up byIndustry Associations in respect of credit availed by their member small scale industrial units from the dedicated banks. The CGTSIhas already started consultations with industry associations seeking their interest in setting up the MCGS.